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Turkey

TOMATOES AND PRODUCTS ANNUAL

Fresh Tomatoes

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Report Highlights:

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Turkey’s climate has supported the growth of its fruit and vegetable sector and has led to its status as a major producer. As Turkey seeks membership in the European Union, fresh fruits and vegetables are among the commodities that will be most competitive in the European market.

During the January-April 2009 period, total tomato production increased significantly from the same period the previous year. Producers expect a 25 percent increase in yearly production due to more favorable weather conditions. Yearly production is estimated at 13,700,000 MT.

Total fresh tomato exports increased 19.46 percent to 205,890 MT in the January-April 2009 period. Russia is the top destination for Turkish fresh tomatoes. However contrary to the increases in total exports, exports to Russia decreased by 10 percent during the January–April period of 2009.

Tomato production accounts for approximately 38 percent of all vegetable production in Turkey. Tomatoes can be grown throughout Turkey, but tomatoes for fresh consumption are mainly grown in the Mediterranean region, typically in greenhouses.

Commodities:
Tomatoes, Canned

Production:
Production

Thanks to its climate and geography, Turkey is one of the world's leading producers of fresh fruits and vegetables, ranking third globally in total tomato production. Tomatoes account for approximately 38 percent of all vegetable production in Turkey. Approximately 30 percent of Turkish tomato production is processed into products such as tomato paste, tomato juice, ketchup, tomato puree, and chopped tomatoes. Tomato paste is the leading export among Turkey's processed fruit and vegetable sector.

Tomatoes can be grown throughout Turkey, but tomatoes for fresh consumption are primarily grown in the Mediterranean region, typically in greenhouses. Antalya is the top tomato producing province, growing approximately17 percent of all tomatoes. Izmir, Canakkale, and Mersin are also significant producers. Industrial tomatoes however, are grown mainly in the provinces of Balikesir, Bursa, Manisa, and Canakkale in the Aegean and Marmara regions.

In the January-April 2009 period, total tomato production increased significantly from the previous year. Producers expect a 25 percent increase in production this season, compared to last year, due to more favorable weather conditions. Yearly production is estimated at 13,700,000 MT.

The cold weather during the winter months negatively affected the quality of the crop but not necessarily the volume. The Antalya Fruit and Vegetable Exporter Union noted that the quality of the crop suffered because of high temperatures during the planting season, low fertilizer use due to high prices, plant diseases, and cold weather in February.

Unlike during the winter months, precipitation and weather conditions were favorable in the beginning of the season, causing producers to expected high yields. In May, the weather warmed drastically and producers had to harvest their products early. This, in effect, created a surplus in the market and drove the prices down by 75% in 10 days.

Tomato Production and Trade, 2007-2009			
Unit: metric tons			
	2007	**2008**	**2009**
Production for the Fresh Market	6,972,000	7,420,000	9,300,000
Production for Processing	2,973,000	3,565,000	4,400,000
Total Production	9,945,000	10,985,000	13,700,000
Fresh Tomato Exports	372,000	440,000	550,000
Consumption by the Fresh Market	6,600,000	6,980,000	8,750,000
Consumption by Processing	2,973,000	3,565,000	4,400,000

Tomato production is labor intensive and the bulk of commercial production occurs on small family farms. Most farms contract with processors who generally provide seed and chemicals, as well as advance payments. More than 50 percent of the varieties that are grown are hybrids; therefore, a wide range of varieties are grown in Turkey. The Ministry of Agriculture and Rural Affairs has approved approximately four hundred fresh tomato seed varieties and sixty industrial seed varieties. Sabrina, Dalmone, Gigante, and Fantastic 144 are some of the leading fresh varieties while New Crimson, Delicious Red, Bonanza, and Rio Grande are among the leading industrial varieties.

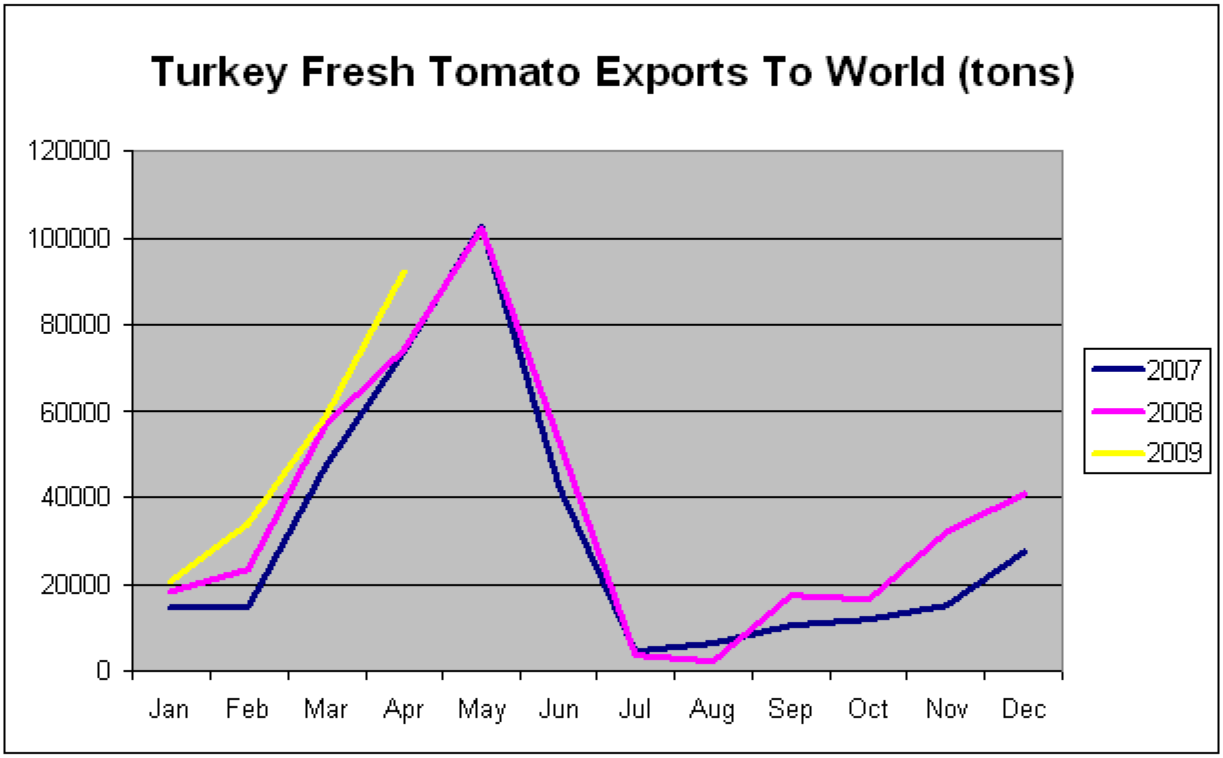
Planting is primarily done by hand and most farmers have their own nurseries. Seedlings are started around mid-March and transplanted after the frost risk passes. Most harvesting is still done manually and there can be up to three rounds of picking in the same field. Depending upon the weather conditions, handpicking can extend the harvest until early October. Mechanized harvesting is still rare.

Consumption:
Consumption

Traditionally, approximately 70 percent of total tomato production in Turkey is consumed fresh and the remainder is processed. Of the 30 percent of the crop that is processed, 85 percent is used to produce tomato paste, 10 percent is canned, and the remainder is used to produce dried tomatoes and other products.

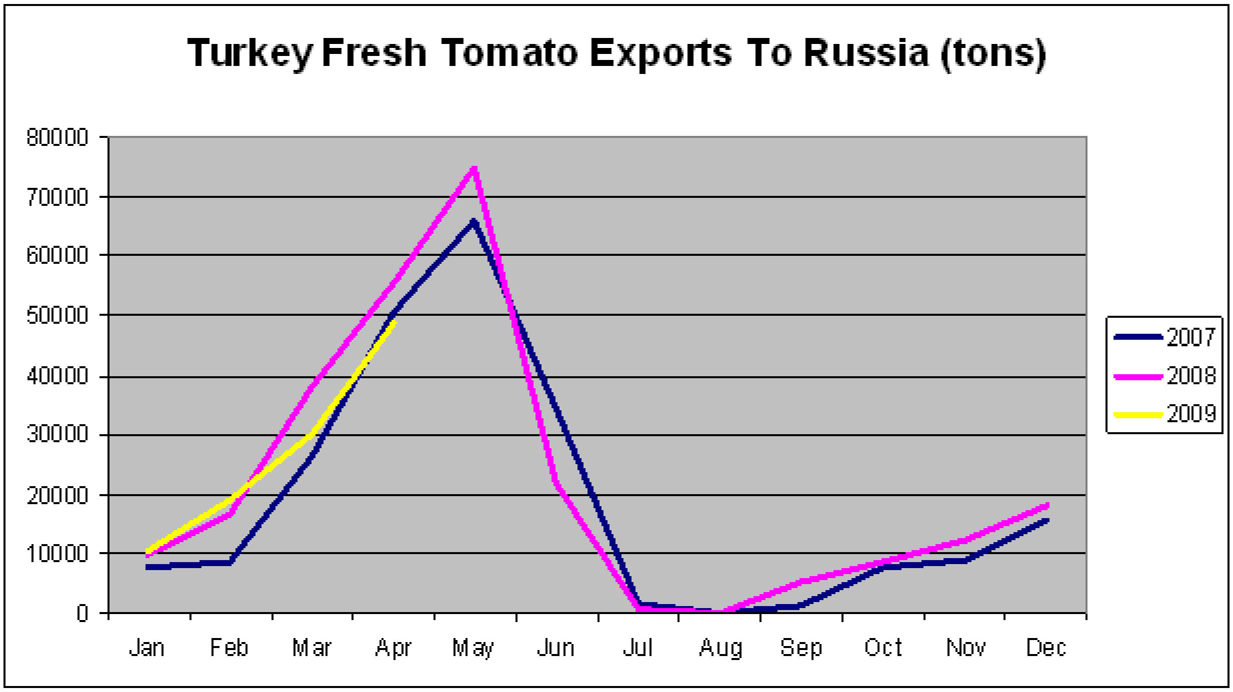
Trade:
Trade

Total fresh tomato exports increased 19 percent to 205,890 MT in January-April 2009 compared with the same period in 2008. The highest increase was in February. Russia, Romania, and Bulgaria continue to be the top export destinations for fresh Turkish tomatoes. Russia alone accounted for about 52 percent of exports. Traditionally March, April, and May are the peak seasons for fresh tomato exports to Russia.



Although Russia is the top destination for Turkish fresh tomatoes, exports to Russia decreased by 10 percent in the January–April period of 2009, contrary to increases in total exports. Further decreases are expected for the May period. Exporters noted that the decrease was not due to any bans on the Russian side but were the result of increased competition and decreased demand. The demand for Turkish tomatoes decreased due to the economic crisis in European markets and stiff competition from Spain and Morocco.

Russian Import Ban in 2008



Early in 2008, Turkish exporters were predicting a record 35 percent increase in fresh tomato exports. Tomato exports to Russia set a record in the first four months of 2008 reaching $120 million. However, their expectations came to a standstill when on June 7 Russia banned imports of certain Turkish fresh fruit and vegetable products, including fresh tomatoes. Russian officials stated that the ban was instituted because of continued detections of high levels of pesticide residues on Turkish products since the beginning of 2008. Officials from the Turkish Ministry of Agriculture and Rural Affairs have been discussing the problem and agreed to a system that would punish the exporting company and not the entire country when detections are found.

Stocks:
There are no official statistics on stocks for tomatoes and tomato products. Fresh tomatoes cannot be stored for long periods, but with appropriate cooling systems they can be stored for a short time.

Policy:
Policy

According to the new *Wholesaler's Law*, fresh tomatoes have to go through wholesale houses in both the city where they are produced and the city where they are going to be sold. Because these additional steps to bring the product to retail stores add to the final retail cost and increase spoilage, retailers are critical of the new law.

The Agricultural Bank of Turkey (Ziraat Bank) no longer provides subsidized loans to agricultural producers and the government does not support tomato prices or otherwise assist with tomato production. However, the Government of Turkey indirectly supports tomato paste exporters by giving them US$ 68 per ton in the form of a tax deduction. All production and domestic and international marketing is handled by the private sector.

Import policy

Import tariff levels for fresh tomatoes and paste did not change in the first quarter of 2009. Fresh tomato and tomato paste imports are subject to a 48.6 and 135.9 percent import tariff respectively.

Author Defined:
Price

Until May of 2009, tomato prices increased steadily. In April, the Turkish Statistical Institute reported a price increase of 6.0 percent. In the beginning of May 2009, prices reached 2.00 TL/kg in Fethiye. Soon afterwards, there was the rapid increase in temperatures and farmers had to harvest their products early. This caused a surplus in the market. Exporters noted that Russia and Ukraine also had to harvest their products prematurely, which resulted in lower than usual exports from Turkey to those markets as well. Increased supply coupled with decreased export demand rapidly decreased the domestic prices so that by the end of May, prices in Fethiye fell to 0.40 TL/kg and to 0.50 TL/kg in Mersin. Producers claim that the cost of production is 0.75 TL /kg and that they are not making a profit at the current prices. Some farmers staged protests, dumping close to 10 tons of tomatoes on the ground and blocking roads.